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E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [IS](#)
SUBJECT: RESULTS OF BLUE LANTERN LEVEL 3 PRE-LICENSE CHECK
ON APPLICATION 730003744

REF: A. 07 STATE 144058
[1](#)B. 07 TEL AVIV 02854

[1](#)1. (SBU) Acting on instructions in ref A, Embassy Blue Lantern officer and senior commercial specialist visited Astronautics C.A., Ltd.'s office in Petah Tikva, Israel on January 14 and met with Ground Systems and Business Development Manager Eli Avraham to discuss the proposed transaction covered by export license application number [1](#)730003744. In responding to emboffs' questions, Avraham said the following in the course of the discussion:

A) Astronautics C.A. intends to use the T-16 and T-24 Vehicle Reference Units (VRUs) in order to test new software that it is developing. The VRUs will interface with the new software and 12.1-inch, 15-inch and 20-inch Control and Display Units (CDUs) to enhance the software's capability. The 12-inch CDU includes a new processor and provides better resolution and so requires new software. Astronautics C.A. wants to incorporate digital maps into their Inertial Navigation Systems (INSS). (NOTE: Copies of pamphlets on these systems have been sent by FAX to PM/DTCC at 202-261-8198.)

B) The T-16 and T-24 VRUs are normally incorporated into Inertial Navigation Systems (INSS) for land systems, including armored personnel carriers (APCs) and trucks. They can also be used in navigation and aiming systems for the M-109 howitzer. The T-24 VRU is also used on the 105 mm L-119 light gun produced by General Dynamics Santa Barbara Systems. Avraham noted that the T-16 VRU is less accurate than the T-24 VRU. Kearfott is also developing a new T-18 VRU that is more accurate than the T-16 VRU and less accurate than the T-24 VRU. According to Avraham, it will be easier for Kearfott to obtain export licenses for the T-18 VRU.

C) Astronautics in the U.S. applied for the temporary export licenses for the T-16 and T-24 VRUs because Astronautics C.A. in Israel only needs the VRUs temporarily, and because there is no defined end-user for the units. They plan to return the VRUs within four years, unless the temporary export licenses are renewed, in which case they will hold onto them for the duration of the licenses.

D) Astronautics C.A. has not yet defined clients for the its new CDUs. Kearfott and Astronautics in the U.S. usually handle the marketing and will apply for the appropriate U.S. and Israeli export licenses once purchasers are identified. Astronautics C.A. exports some of its displays to Spain. In response to Blue Lantern officer's question, Avraham stated clearly that Astronautics C.A. does not deal with entities located in countries that are subject to arms embargoes by the U.S. and/or the United Nations.

12. (SBU) Providing an overview of the company for the senior commercial specialist's information, Avraham repeated in general information about the company that was reported in Ref B:

A) Astronautics C.A. Ltd. is a subsidiary fully-owned by Astronautics C.A. of America, which is located in Milwaukee, Wisconsin. The Israeli subsidiary was founded in 1971. Its general manager is David Ronen. It has 110 employees, over 40 percent of which are engineers. It does business with many international partners, including Boeing, Lockheed Martin, Bell Helicopter/TEXTRON, General Dynamics Santa Barbara, Aeromacchi, the Turkish Navy and Air Force, the Royal Thai Army, and Singapore Technologies. The company has three divisions: Airborne Systems, Land Systems and Naval Systems. It focuses mainly on displays for airborne systems, but also produces displays and instruments for ground and naval systems, air data computers, and digital maps. It received an award from Boeing for its co-production with Kaiser Electronics on the F-15I displays program. It is providing maintenance for the Royal Thai Army's tanks, and recently upgraded the display systems for Austria and Switzerland's M-109 self-propelled howitzers.

B) All of the company's employees are vetted by the Israeli MOD and have to undergo some form of a background check. Astronautics C.A. Ltd.'s projects are classified at different levels, with most of them being unclassified. Employees working on specific projects have to have the appropriate level of clearance. As the Ground Systems Manager, Avraham has also been responsible for the company's security for the last two years. Controlled items cannot be taken out of the company's secure warehouse without Avraham's approval. Avraham said that the Israeli MOD conducts audits of the

company's security practices once every three months. Avraham said that the T-16 and T-24 VRUs will be stored in the secure warehouse and only operated under secure conditions in keeping with their controlled status.

C) Astronautics C.A. of America also operates a factory in Mexico, and has software engineers working for it in Russia who test software manufactured in the U.S.

13. (SBU) Avraham noted that Astronautics C.A. in Israel recently developed the Electronic Flight Bag (EFB) -- Class 2 and Class 3 -- for commercial and military aviation applications. It received Federal Aviation Administration (FAA) approval for the Class 2 EFB without any problems, but is finding it difficult to obtain FAA approval for the Class 3 EFB. Avraham explained that the EFB is a computer that is divided into two portions -- a 2-cm thick display, and a computer that can be located elsewhere on the vessel housing the EFB. Avraham said that it is difficult to get the FAA approval for the Class 3 EFB because it affords two-way communication, and FAA is reportedly concerned that the two-way communication may affect aircraft safety.

14. (SBU) Based on the site visit and emboffs' discussion with Avraham, emboffs believe that the transaction proposed in export license application number 730003744 is legitimate, and recommend approval of the export license.

Visit Embassy Tel Aviv's Classified Website:
<http://www.state.sgov.gov/p/nea/telaviv>

You can also access this site through the State Department's Classified SIPRNET website.

JONES